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PRANAV CONSTRUCTIONS LIMITED

September 3, 2026

PCPL® REDEVELOPING HOMES REBUILDING COMMUNITIES

SMC Ranking

★½☆☆☆ (1.5/5)

Issue Highlights

Industry	Constructions
Offer for sale (Shares)	28,56,869
Fresh Issue (Shares)	25,451,612
Net Offer to the Public	28,308,481
Issue Size (Rs. Cr.)	368-397
Price Band (Rs.)	118-124
Offer Date	7-Sep-26
Close Date	9-Sep-26
Face Value	10
Lot Size	107

Issue Composition

	In shares
Total Issue for Sale	28,308,481
QIB	11,323,392
NIB	4,246,272
Retail	12,738,816

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	63.35%	49.03%
QIB	36.65%	35.89%
NIB	0.00%	3.77%
Retail	0.00%	11.31%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

The Company proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Funding costs towards obtaining government and statutory approvals and purchase of additional FSI and cost towards Compensation to members towards alternate accommodation, and hardship compensation, in relation to the development of certain of the Under-construction Redevelopment Projects, and certain of the Upcoming Redevelopment Projects (Funding Redevelopment Expenses
2. Repayment and/ or pre-payment, in full or part, of certain borrowings availed by the Company
3. Funding acquisition of future redevelopment projects and general corporate purposes.

Book Running Lead Manager

- Centrum Broking Limited
- PNB Investment Services Limited

Name of the registrar

- KFin Technologies Limited

About the company

Pranav Constructions Limited is a pure-play residential redeveloper focused on co-operative housing societies in the Municipal Corporation of Greater Mumbai, especially the Western Suburbs (Malad, Goregaon, Borivali, Kandivali, Andheri, Santacruz and nearby pockets). It does not buy land. It wins society mandates, demolishes old buildings, hands existing members new homes, and sells the extra saleable flats created under DCPR 2034 rules 33(7), 33(7)(A) and 33(7)(B). Homes are aimed at economical (up to Rs. 1.5 crore), mid-and-mass (Rs. 1.5–3.0 crore) and aspirational (Rs. 3–7 crore) buyers. As of 31 March 2026 the book had 65 projects: 28 completed (1.42 million sq ft), 20 under construction (1.63 million sq ft) and 17 upcoming (1.96 million sq ft). Revenue was Rs. 761.60 crore in FY26, Rs. 636.27 crore in FY25 and Rs. 447.48 crore in FY24; profit after tax was Rs. 71.32 crore, Rs. 62.25 crore and Rs. 39.62 crore. Almost all revenue comes from MCGM redevelopment.

Strengths

Among the leading real estate companies in the Western Suburbs with a demonstrated growth and strong pipeline: Pranav Constructions is the leading MCGM-redevelopment player in Mumbai's Western Suburbs by number of projects and units. Between 2017 and early 2026 it completed or launched 34 projects and 1,864 units, while peers typically had only 4–11 projects. It ranked first in the MCGM region for combined redevelopment supply launched from 2021 to early 2026, and second for supply from 2017 onward. As of 31 March 2026 the book had 65 projects: 28 completed (1.42 million sq ft), 20 under construction (1.63 million sq ft) and 17 upcoming (1.96 million sq ft), plus 41 live bids. It wins about 7–8 new society mandates a year.

Demonstrated project execution capabilities with in-house functional expertise: The company runs the full cycle in-house—bidding, title checks, design, approvals, demolition, construction and handover. A team of 25 architects owns each project end-to-end. From 2012 to 2021 it won 27 projects (1.86 million sq ft); from April 2021 to March 2026 it added 38 more (3.15 million sq ft). Average time from first commencement certificate to occupation certificate is 26 months, and no RERA extension has been sought. New launches typically sell 48.6% of saleable area in six months and 68.3% in twelve months. Awards include Best Realty Brand 2024 and Iconic Redevelopment Developer.

Capital efficient business model with high barriers to entry: Pranav does not buy land. It signs redevelopment contracts with co-operative societies, so cash is not locked in title work or land cost. On three recent launches, initial spend was only 9–13% of expected sales value (for example ₹11.28 crore invested versus ₹84.06 crore sales potential at Daulatrao Desai CHSL).

Buyers pay in construction-linked instalments, so several projects can run at once with limited debt. Societies pick developers with a finished-project record and short cycle times; approvals and local know-how add further barriers that new entrants find hard to cross.

Established a customer-centric brand in the Western Suburbs with robust stakeholder management: More than a decade of on-time delivery has made the PCPL name familiar in Malad, Goregaon, Borivali, Kandivali and nearby pockets. The firm stays with buyers from enquiry through possession and after handover. Society members receive their original homes plus the option to buy extra area, and plans are tailored to their needs. Winning one society often leads to the next building on the same street—Pravesh CHSL led to Kesar Niketan nearby; Malad Rajhans led to Marudhar and Rushabh Mahal. That neighbourhood trust keeps the bid pipeline full.

Track record of consistent financial performance: Revenue rose 42.2% in FY25 and another 19.7% in FY26, reaching ₹761.60 crore. Profit after tax grew 57.1% then 14.6% to ₹71.32 crore. EBITDA climbed to ₹130.83 crore with a 17.2% margin. Return on equity was 33.8% and return on capital employed 24.3% in FY26. Debt-to-equity eased to 1.08 times. Collections from sale and rehab-cum-sale units were ₹295.41 crore in FY26. Lenders include Bajaj Housing Finance, ICICI Home Finance, Aditya Birla and Tata Capital Housing. The balance sheet supports more bids without stretching leverage.

Experienced Promoters and professional senior management with good corporate governance practices: Chairman and Managing Director Pranav Kiran Ashar has 22 years in real estate and oversees design and all projects. Whole-time Director Ravi Ramalingam has 17 years in finance and accounts. They are backed by specialists in operations, engineering, legal, sales and human resources. Staff strength stood at 198 at the end of FY26, with attrition down to 13.5%. The leadership's mix of design skill, money discipline and society handling is what the company uses to pick new micro-markets and keep delivery dates.

Strategy

Continue to focus on Redevelopment and expand in other regions of MCGM: Pranav Constructions will keep concentrating on society redevelopment in Mumbai because new land for greenfield projects is scarce. Western Suburbs already take nearly half of homes sold in the MCGM region. The company wants to stay a preferred partner for co-operative housing societies by checking location, documents and design before bidding. It is already present in Borivali, Kandivali, Malad, Goregaon, Santacruz, Bandra, Andheri, Vile Parle and Mahim. It now plans to enter Khar, Matunga, Sion, Chembur and Grant Road. As of 31 March 2026 it had submitted 41 bids. Current strong pockets are treated as "established" markets; newer areas are "emerging" markets where the same playbook will be repeated.

Continue to focus on asset-light business model: The company does not buy land. It signs redevelopment agreements with co-operative housing societies, which keeps upfront cash low and shortens project cycles. In the MCGM region, about 62% of under-construction supply launched from 2017 to early 2026 was redevelopment rather than greenfield. This model frees capital for construction instead of land purchase, lowers interest cost and lets the firm take on more projects with the same money. Management intends to keep this capital-efficient approach, using its brand and execution record to win more society mandates without locking large sums in land.

Upgrade technology to drive operational efficiency and deliver quality Redevelopment Projects to our customers: Pranav plans to use better tools so projects finish faster, cost less and stay consistent in quality. It will roll out building-information modelling, construction quality-control software and online monitoring so timelines, resources and defects can be tracked in real time. A central ERP system is already in place to streamline day-to-day work. The company also wants data analytics and a stronger website so it can read customer demand for layouts and amenities more accurately and sell more units through digital channels.

Enhance and leverage the 'PCPL' brand: The company treats the PCPL name as a main growth lever. Buyers in the Western Suburbs already see it as a reliable, on-time redeveloper. It will keep spending on digital campaigns, sports and cultural sponsorships, and real-estate exhibitions. Sales and marketing cost was ₹6.14 crore in FY26, ₹3.51 crore in FY25 and ₹2.14 crore in FY24 (0.81%, 0.55% and 0.48% of revenue). The plan is to raise brand spend further so recall stays strong as the firm moves into new MCGM micro-markets.

Focus on environment-friendly solutions: Green design is becoming a buyer and regulator expectation. Pranav already uses recycled materials, on-site waste plans and e-waste recycling (recognised by THRECO in March 2024). All under-construction and upcoming projects are being designed for energy and water efficiency. Going forward the company intends to seek green-building certification, add paper-and-plastic waste systems, improve water management and use more renewable energy on its sites so new towers meet both buyer preference and sustainability standards.

Key Risk Factors

- Almost all revenue (99.70% in FY26) comes from the MCGM region, so any local slowdown, rule change or flood hits the whole company.
- If under-construction or upcoming projects miss their RERA completion dates, the firm can face penalties, extra rent to members, cancelled agreements and damaged reputation.
- Sale flats may not sell as fast as the recent 64% six-month run-rate, leaving inventory and cash locked.
- Cement, steel and other materials are bought without long-term supply contracts, and construction depends on a small set of contractors.
- Title or land-use problems in a society agreement, or a shortage of finance on acceptable terms, can stall a project after capital is already committed.

Peer Comparison

Company	Total Sales	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Lodha Developers	18181.20	4125.60	41.29	28.93	5.23	228.60	10	1194.45	119352.22
Godrej Propert.	5203.04	1600.22	53.71	36.94	3.12	635.92	5	1983.90	59760.32
Kalpat.	3464.62	116.61	5.99	46.30	1.39	199.90	10	277.35	5711.25
Keystone Realtor	2831.71	117.49	9.31	40.45	1.69	222.57	10	376.55	4753.97
Kolte Patil Dev.	1572.14	124.35	14.02	31.12	3.21	136.09	10	436.35	3869.56
Arkade	803.93	-4.29	9.58	12.62	2.54	47.51	10	120.90	2244.67
Suraj Estate	568.10	91.83	19.22	9.94	0.92	208.02	5	191.00	912.47
Pranav Constructions Limited	761.60	71.32	6.33	19.58	2.48	49.93	10	124.00	1396.52

*Peer companies financials are TTM based

***Pranav Constructions Limited financials are based on FY26

Valuation:

Considering the P/E valuation, on the upper end of the price band of Rs. 124, the stock is priced at a pre-issue P/E of 15.16x on FY2026 EPS of Rs. 8.18. Post issue, the stock is priced at a P/E of 19.58x on its EPS of Rs. 6.33. Looking at the P/B ratio at Rs. 124 pre issue, book value of Rs. 28.30 gives a P/BV of 4.38x. Post issue, book value of Rs. 49.93 gives a P/BV of 2.48x.

Considering the P/E valuation, on the lower end of the price band of Rs. 118, the stock is priced at a pre-issue P/E of 14.42x on FY2026 EPS of Rs. 8.18. Post issue, the stock is priced at a P/E of 18.63x on its EPS of Rs. 6.33. Looking at the P/B ratio at Rs. 118 pre issue, book value of Rs. 28.30 gives a P/BV of 4.17x. Post issue, book value of Rs. 49.93 gives a P/BV of 2.36x.

Industry Overview

India’s GDP has grown at about 6% CAGR over a long stretch and is still among the faster large economies (FY26 estimate around 7.7%). Urban housing remains short — PMAY Urban and Urban 2.0 have sanctioned over 1.36 crore houses — while Mumbai itself has almost no vacant land in the island and western corridor. C&W’s report for the RHP shows MMR launched about 11.4 lakh units from 2015 to Q1 2026, with redevelopment now the main engine inside MCGM: 62% of under-construction stock launched since 2017 is redevelopment, and MCGM 33(7)-style jobs are two-thirds of that. Western Suburbs take nearly half of MCGM absorption. Metro lines, coastal road, Mumbai Trans Harbour Link and Navi Mumbai airport support values, but rates, construction inflation, approval delays and interest-rate swings remain the usual constraints. For a specialist who already holds 65 society mandates, that mix is the opportunity.

Outlook

PCPL’s outlook remains positive, supported by a visible 65-project pipeline, 41 active bids and a capital-light redevelopment model focused on Mumbai’s Western Suburbs. Its strong execution track record, 26-month construction cycle and healthy sales velocity provide earnings visibility. Expansion into emerging MCGM markets, technology adoption and stronger branding could drive growth. However, high dependence on MCGM, execution delays, slower sales and construction-cost volatility remain key risks.

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An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
IPO Open Date	Mon, Sep 7, 2026
IPO Close Date	Wed, Sep 9, 2026
Tentative Allotment	Thu, Sep 10, 2026
Initiation of Refunds	Fri, Sep 11, 2026
Credit of Shares to Demat	Fri, Sep 11, 2026
Tentative Listing Date	Tue, Sep 15, 2026

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 31-Mar-26 (12 Months)	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)
Revenue from operations	761.60	636.27	447.48
Total expenditure	633.09	539.71	390.03
Operating Profit	**128.51**	**96.57**	**57.46**
OPM%	16.87	15.18	12.84
Other Income	2.33	1.97	2.27
Total Net Income	130.83	98.54	59.73
Interest	32.73	23.28	17.96
PBDT	**98.10**	**75.26**	**41.77**
Depreciation	4.16	3.17	2.66
PBT	**93.94**	**72.09**	**39.10**
Tax	22.61	9.83	(0.51)
Profit & Loss	**71.32**	**62.25**	**39.62**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 31-Mar-26	As on 31-Mar-25	As on 31-Mar-24
Non-current assets			
Property, plant and equipment	5.15	4.36	2.47
Right of use assets	6.84	4.65	4.64
Other intangible assets	0.07	0.08	0.16
Investments (non-current)	0.27	0.17	0.13
Other financial assets (non-current)	4.01	4.03	1.31
Deferred tax assets (net)	1.04	0.75	0
Non-current tax assets (net)	0.24	0.20	2.21
Other non-current assets	0.34	0.70	0.00
Total non-current assets	**17.96**	**14.93**	**10.91**
Current assets			
Financial Assets			
Inventories	143.85	93.35	96.82
Investments (current)	2.95	1.23	5.18
Trade receivables	62.48	60.67	75.26
Cash and cash equivalents	17.85	40.25	39.45
Bank balances other than cash	0	0	0.00
Loans	0.03	0.04	0.12
Other financial assets (current)	12.67	11.44	9.46
Other current assets	1,541.41	1,024.38	729.61
Total current assets	**1781.23**	**1231.36**	**955.90**
Total Assets	**1799.19**	**1246.29**	**966.80**
LIABILITIES			
Non-current liabilities			
Borrowings (non-current)	5.01	1.98	1.36
Lease liabilities (non-current)	5.29	3.62	3.75
Provisions (non-current)	0.44	0.42	0
Total non-current liabilities	**10.74**	**6.03**	**5.11**
Current liabilities			
Financial liabilities			
Borrowings (current)	253.44	194.52	97.97
Lease liabilities (current)	1.91	1.53	1.18
Trade payables – MSME	0.73	0.14	0.60
Trade payables – others	336.33	166.60	135.25
Other financial liabilities	6.10	6.84	7.50
Other current liabilities	923.26	686.93	630.59
Provisions (current)	1.22	0.24	0.23
Current tax liabilities (net)	18.76	7.88	0
Total current liabilities	**1541.76**	**1064.67**	**873.33**
Total liabilities	**1552.49**	**1070.70**	**878.44**
Net worth represented by:			
Equity share capital	87.17	87.17	3.65
Other equity	159.52	88.41	84.70
Non-controlling interests	0.01	0.01	0.01
Total Equity	**246.70**	**175.59**	**88.37**

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RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★
EXCELLENT	★★★★★

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